

DongellLawrence FinneyClaypoolLLP

L A W Y E R S
WWW.DLFLAWYERS.COM

SOUTHERN CALIFORNIA
FORTY FIFTH FLOOR
707 WILSHIRE BOULEVARD
LOS ANGELES, CALIFORNIA 90017-3609
TELEPHONE 213.943.6100
FACSIMILE 213.943.6101

NORTHERN CALIFORNIA
SUITE 2130
980 NINTH STREET
SACRAMENTO, CALIFORNIA 95814
TELEPHONE 916.290.5882
FACSIMILE 916.290.6002

July 19, 2006

VIA TELECOPIER

(415) 947-3553

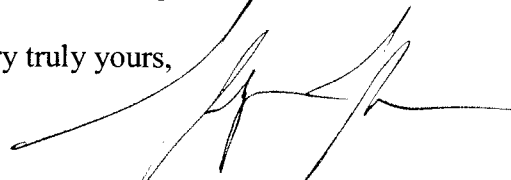
Michael Massey
United States Environmental Protection Agency
75 Hawthorne Street
San Francisco, CA 94105-3901

Re: EPA San Fernando Valley Superfund

Dear Michael:

We are submitting the enclosed response to EPA's March 28, 2006, General Notice Letter and CERCLA 104(e) request on behalf of Hayward Associates ("Hayward"). As we agreed, Hayward intends to supplement this response with additional documentation where appropriate, as set forth in greater detail in the enclosed responses.

Very truly yours,



Christopher T. Johnson, for
DONGELL LAWRENCE FINNEY CLAYPOOL LLP

CTJ:mm

Enclosures (Responses and Exhibits A - C) (hard copy only)

Cc: Ms. Cindi Galfin, Pick Your Part
Mr. Richard A. Dongell

Response of Hayward Associates to General Notice Letter/104(e) for the San Fernando Valley/North Hollywood Superfund Site

These responses are submitted on behalf of Hayward Associates ("Hayward"), which reserves the right to supplement these responses as new information and/or documents become available. These responses are complete and accurate to the best of Hayward's knowledge. Hayward reserves the right to amend and/or supplement these responses in the event that new information or documents become available.

1. Christopher T. Johnson, Dongell Lawrence Finney Claypool, 707 Wilshire Blvd., 45th Floor, Los Angeles, California 90017; attorney for Pick Your Part.
2. Hayward Associates is not, and never was, responsible for the Gregg Pit/Benz Dump. The person affiliated with Hayward most responsible for environmental matters is Paul Segal, Pick Your Part, 1031 E. Orangewood Ave., Anaheim, California 92805, (714) 385-1200.
3. Hayward is a general partnership and was formed in California on January 1, 1986.
4. Hayward is an ongoing general partnership. It does not engage in any operations.
5. Hayward is a general partnership. It has not existed or operated under any other business structure since its inception.
6. Hayward has no current or former operations at the Facility. Its sole role is as owner and landlord of an 8.76 acre parcel comprising a part of the real property of the Facility, Assessor's Id. No. 2538-010-002, more completely described in the Grant Deed attached as Exhibit "A" (the "8.76 Acre Parcel"). Hayward became owner of the 8.76 Acre Parcel on April 1, 2002.
7. A copy of the current partnership agreement, as amended, is attached as Exhibit "B."
8. Hayward does not operate under any Fictitious Business Name.
9. There have been no sales of Hayward's assets that represented a sale of substantially all of Hayward's assets.
10. Hayward owns [REDACTED] PX-4; CBI/Trade Secret of the following businesses:
 - a. Ben Warner's Garage, Inc.
 - b. Farwest Towing, LLC
11. Hayward has no officers. The identities of all partners of Hayward are set forth in the partnership agreement, attached as Exhibit "B" and incorporated by reference.
12.
 - a. Hayward acquired the 8.76 Acre Parcel on April 1, 2002.
 - b. Assessor's Id. No. 2538-010-002, 9228 Tujunga, Los Angeles, California.

- c. A copy of the Grant Deed is attached as Exhibit "A."
 - d. The known prior owner is CalMat a.k.a. Vulcan Materials Co.
 - e. A copy of the lease between Hayward and Pick Your Part is attached as Exhibit "C."
 - f. The sole operator of the Facility is Pick Your Part, 9228 Tujunga Ave., Sun Valley, California. Pick Your Part's operations include the 8.76 Acre Parcel and that 44.53 acre parcel of real property with Assessor's Id. No. 2538-010-006. Pick Your Part's operations consist of automotive dismantling, and has operated at the Facility since 1981.
13. Hayward has no operations at the Facility.
14. There is no period of time in which Hayward, under any current or former business structure, operated at but did not own any part of the Facility.
15. Current operator: Pick Your Part
- a. Pick Your Part has operated at the Facility since 1981.
 - b. Pick Your Part's operations consist of automotive dismantling.
 - c. Hayward will provide evidence of controlled access in a supplemental response.
 - d. Hayward is aware of a single incident involving an overflow gasoline from an underground storage tank. Hayward and/or Pick Your Part will provide documentation relating to this event in a supplemental response.
- Prior owner: CalMat a.k.a. Vulcan Materials Co.
- a. CalMat owned the 8.76 Acre Parcel until April 1, 2002.
 - b. CalMat was owner of the 8.76 Acre Parcel at least since 1981.
 - c. Hayward refers EPA to Pick Your Part's response for evidence of controlled access to the Facility since 1981.
 - d. Hayward refers EPA to Pick Your Part's response for evidence of releases or threatened releases at the Facility since 1981.
16. Hayward has no employees.
17. Hayward owns the 8.76 Acre Parcel, which forms a portion of the approximately 50 acre Pick Your Part business site. Pick Your Part employs approximately 90 employees at this location, and its business service is automotive dismantling. There have been no significant changes in Facility size, number of employees, or products manufactured.
18. Hayward will provide an aerial photograph and/or topographic map in a supplemental response.
19. Hayward does not possess any hazardous material business plans or chemical inventory forms. All relevant forms are being provided in the Pick Your Part response.
20. Hayward does not possess information relating to chemicals or hazardous substances. All relevant forms are being provided in the Pick Your Part response.

21. Hayward does not possess any information relating to the use or transport of volatile organic compounds, Title 22 metals, 1,4-dioxane, NDMA, or perchlorate at or to the Facility. All relevant information is being provided in the Pick Your Part response.
22. Hayward believes that EPA is already in possession of all known environmental data or technical or analytical information regarding soil, water, and air conditions at or adjacent to the Facility. Pick Your Part has submitted public records act requests to the relevant California regulatory agencies for any such current or historical information, and will provide any relevant responses to EPA in a timely manner.
23. Hayward believes that there are no groundwater wells located at the Facility. The possible location of any such well is a subject of Pick Your Part's pending public record act requests, and Pick Your Part will provide any relevant responses to EPA in a timely manner.
24. Hayward is not aware of any insurance policies that may be applicable. Pick Your Part has indemnified Hayward for all environmental liabilities relating to the Facility.
25. Hayward has not applied for or received any permits under local, state, or federal environmental laws and regulations. All permits are applied for and received by the operator, Pick Your Part.
26. Hayward is not an operator of the Facility and does not possess information relating to discharges of waste. All relevant information is being provided in the Pick Your Part response.
27. Hayward is not an operator of the Facility and does not possess information relating to waste streams at the Facility. All relevant information is being provided in the Pick Your Part response.
28. Hayward is not an operator of the Facility and does not possess information relating to pre-treatment procedures at the Facility. All relevant information is being provided in the Pick Your Part response.
29. Hayward is not an operator of the Facility and does not possess information relating to sumps at the Facility. All relevant information is being provided in the Pick Your Part response.
30. Hayward is not an operator of the Facility and does not possess information relating to storage of wastes at the Facility. All relevant information is being provided in the Pick Your Part response.
31. Hayward is not an operator of the Facility and does not possess information relating to leaks, spills, and other releases at or from the Facility. All relevant information is being provided in the Pick Your Part response.

32. Hayward is not aware of any correspondence between Hayward and any local, state, or federal authorities concerning the use, handling, or disposal of hazardous substances at the Facility, except to the extent any such correspondence was sent to or from Pick Your Part. Hayward incorporates by reference Pick Your Part's response.
33. Hayward incorporates by reference Pick Your Part's response with regard to the use or disposal of hazardous substances at the Facility.
34. Hayward is not aware of any documentation of remediation efforts that have not been provided to EPA.
35. Hayward is a general partnership independent of Pick Your Part, which leases the 8.76 Acre Parcel from Hayward. Pick Your Part has indemnified Hayward for all environmental liabilities relating to the Facility.

Exhibit A

CHICAGO TITLE INSURANCE CO
11053090X55

RECORDING REQUESTED BY:
CHICAGO TITLE COMPANY
AND WHEN RECORDED MAIL TO:

HAYWARD ASSOCIATES
1301 EAST ORANGEWOOD AVENUE
ANAHEIM, CALIFORNIA 92805

MAIL TAX STATEMENTS TO:
SAME AS ABOVE

SPACE ABOVE FOR RECORDER'S USE

GRANT DEED

THE UNDERSIGNED GRANTOR(S) DECLARE(S):

DOCUMENTARY TRANSFER TAX IS NOT SHOWN PURSUANT TO SECTION 11932
OF THE REVENUE AND TAXATION CODE, AS AMENDED.

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

CALMAT CO., A DELAWARE CORPORATION, SUCCESSOR BY MERGER TO
CALMAT PROPERTIES, CO. A CALIFORNIA CORPORATION

HEREBY GRANT(S) TO

HAYWARD ASSOCIATES, A CALIFORNIA GENERAL PARTNERSHIP

THE FOLLOWING DESCRIBED REAL PROPERTY IN THE CITY OF LOS ANGELES,
COUNTY OF LOS ANGELES, STATE OF CALIFORNIA:

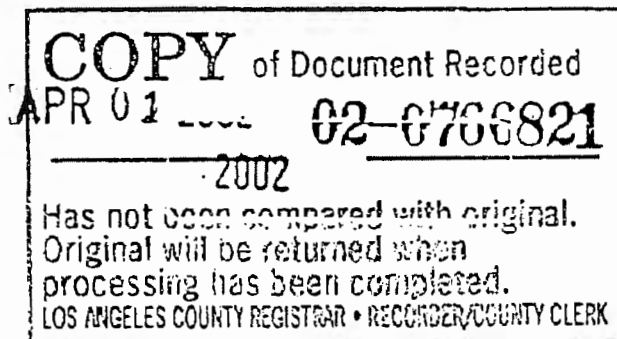
LOT 9 OF TRACT NO. 9329, IN THE CITY OF LOS ANGELES, COUNTY OF LOS
ANGELES, STATE OF CALIFORNIA, AS PER MAP, RECORDED IN BOOK 179, PAGES 9
AND 10 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM ALL OIL, GAS, HYDROCARBONS, MINERALS AND MINERAL
RIGHTS, AND ALL WATER RIGHTS, GROUNDWATER RIGHTS, RIPARIAN RIGHTS,
WATER STOCK, OR ANY OTHER PRESCRIPTIVE RIGHTS TO WATER, ALL OF WHICH
ARE EXPRESSLY RESERVED BY GRANTOR WITH NO RIGHT OF ENTRY TO A DEPTH
OF 500 FEET FROM THE SURFACE.

SUBJECT TO ALL EASEMENTS AND MATTERS AND RESTRICTIONS OF RECORD.

GRANTOR RESERVES AN EASEMENT FOR CONVEYOR AND OTHER PURPOSES PER
EASEMENT RECORDED NOVEMBER 30, 2001 AS INSTRUMENT NO. 01-2274961 AND
AN EASEMENT FOR WATER LINE AND OTHER PURPOSES PER EASEMENT
RECORDED NOVEMBER 30, 2001 AS INSTRUMENT NO. 01-2274962, IN THE OFFICE OF
THE COUNTY RECORDER OF SAID COUNTY.

ASSESSORS PARCEL NO. 2538-010-002



CONTINUED ON PAGE TWO

IN WITNESS WHEREOF, THE GRANTOR HAS CAUSED THIS GRANT DEED TO BE
EXECUTED AS OF THE 26 DAY OF March, 2002

GRANTOR(S)

SELLER(S):

CALMAT CO.,
A DELAWARE CORPORATION

BY: [Signature]

BY: Buenafina

STATE OF CALIFORNIA)

) SS

COUNTY OF Los Angeles)

ON 3/26/02 BEFORE ME, Nana M. Carl, A NOTARY
PUBLIC IN AND FOR SAID STATE, PERSONALLY APPEARED
Michael Ginter + Brian W. Ferris,
PERSONALLY KNOWN TO ME OR PROVED TO ME ON THE BASIS OF SATISFACTORY
EVIDENCE TO BE THE PERSON(S) WHOSE NAME(S) IS/ARE SUBSCRIBED TO THE
WITHIN INSTRUMENT AND ACKNOWLEDGES TO ME THAT HE/SHE/THEY EXECUTED
THE SAME IN HIS/HER/THEIR AUTHORIZED CAPACITY(IES), AND THAT BY
HIS/HER/THEIR SIGNATURE(S) ON THE INSTRUMENT THE PERSON(S), OR THE
ENTITY UPON BEHALF OF WHICH THE PERSON(S) ACTED, EXECUTED TH
INSTRUMENT.

WITNESS MY HAND AND OFFICIAL SEAL.

Nana M. Carl

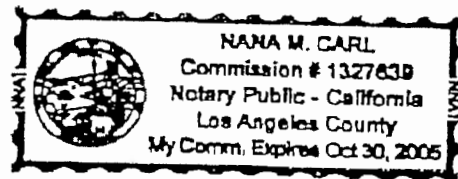


Exhibit B

PARTNERSHIP AGREEMENT

FOR

HAYWARD ASSOCIATES

THIS PARTNERSHIP AGREEMENT is made effective January 1, 1986, by and among John L. Neu, John L. Neu, as custodian UTMA for Jeffrey P. Neu, John L. Neu, as custodian UTMA for Robert T. Neu, John L. Neu, as custodian UTMA for Leslie S. Neu, Richard W. Neu, Glenn C. McElroy, Phillip B. McElroy, and Thomas C. Hutton.

W I T N E S S E T H :

WHEREAS, the parties own undivided interests in a certain industrial property in Hayward, California, described in Exhibit "A", attached hereto and by this reference made a part hereof, and will acquire in 1986 that certain office building in Garden Grove, California, described in Exhibit "B" attached hereto and made a part hereof, both hereinafter referred to as "the property"; and

WHEREAS, the parties to this Agreement desire to constitute themselves a partnership for the purpose and upon the terms, covenants and conditions hereinafter set forth;

NOW, THEREFORE, in consideration of the premises and the covenants hereinafter set forth, the parties hereto agree as follows:

1. FORMATION. The partners hereby form a partnership under the laws of the State of California for the purposes and on the terms hereinafter stated.

2. NAME. The name of the partnership shall be Hayward Associates.

3. PRINCIPAL PLACE OF BUSINESS. The partnership's principal place of business shall be 13211 Garden Grove Boulevard, Garden Grove, California 92643, when such property is acquired. Until such acquisition, the principal place of business shall be at 10181 Beach Boulevard, Stanton, California 9 . There may be other places of business as agreed upon by the partners from time to time.

4. PURPOSE. The purpose of the partnership is to own, improve, develop, operate, sell, lease and otherwise use said property for industrial or commercial purposes.

5. TERM. The partnership shall begin as of the date of this agreement and shall continue for ten (10) years. At the end of that period, the partnership shall continue from year to year unless one or more of the partners shall give the partnership and the other partners at least sixty (60) days written notice of his election to dissolve the partnership as of the next anniversary of the partnership's commencement. If this notice is given, the partnership shall dissolve on that anniversary and its affairs shall be wound up, unless it is dissolved or terminated earlier as provided in this agreement.

6. FICTITIOUS NAME CERTIFICATE. The partners shall sign and cause to be recorded an appropriate fictitious business name certificate.

7. CAPITAL CONTRIBUTION. The parties hereby contribute and agree to convey to said partnership all right, title and interest

in and to said property together with such cash as is from time to time required to pay expenses in connection with said property.

8. CAPITAL ACCOUNTS.

8.1 Initial Accounts. The capital of the partnership shall be owned by the parties hereto in the exact proportion set opposite their respective names in Exhibit "C" attached hereto and incorporated herein.

8.2. Adjustment per Treasury Regulations. The capital accounts of the partners shall be determined in accordance with the rules set forth in Section 1.704-1(b)(2)(iv) of the Treasury Regulations or any successor provision. For this purpose, capital accounts shall be restated on January 1, 1987, in accordance with Section 1.704-1(b)(2)(iv)(f) of the Treasury Regulations or any successor provision to reflect the fair market value of the partnership assets on January 1, 1987. The capital account of each partner as of January 1, 1987, shall be increased by (a) the amount of all capital contributions of the such partner to the partnership (valuing all capital contributions at fair market value) made on or after January 1, 1987, increased by (b) the amount of income allocated to the partner on or after January 1, 1987, decreased by (c) the amount of loss allocated to the partner on or after January 1, 1987, further decreased by (d) the amount of cash distributed and the net fair market value of all property distributed by the partnership to the partner on or after January 1, 1987.

For this purpose, "income" refers to all items of income (including all items of gain and including income exempt from tax) as properly determined for book purposes, and "loss" refers to all items of loss (including deductions and including nondeductible losses not properly chargeable to capital account) as properly determined for book purposes. Book income and loss shall be determined in accordance with the principles of Section 1.704-1(b)(2)(iv)(g) of the Treasury Regulations and any successor provision and otherwise strictly in accordance with federal income tax principles.

Capital accounts shall be adjusted appropriately on account of investment tax credit and investment tax credit recapture in accordance with the principles of Section 48(g) of the Internal Revenue Code of 1954, as amended.

In the event that assets of the partnership other than cash are distributed to a partner in liquidation of the partnership, Capital accounts shall be adjusted for the hypothetical gain or loss that would have been realized by the partnership if these assets had been sold for cash in order to reflect unrealized gain or loss. Capital accounts also shall be adjusted upon the constructive termination of the partnership as provided under Section 708 of the Internal Revenue Code of 1954, as amended, as required by Section 1.7041-1(b)(2)(iv)(1) of the Treasury Regulations or any successor provision.

8.3 Voluntary Contributions. No partner may make any voluntary contribution of capital of the partnership without the consent of all the partners.

8.4 Withdrawal of Capital. No partner may withdraw capital from the partnership without the consent of all partners.

8.5 Ratios of Partners' Capital Accounts. The capital accounts of the partners shall be maintained at all times in the proportions of their interest in profits or losses of the partnership.

9. PROFITS AND LOSSES. The profits and losses from this partnership shall be shared in the proportions set forth in said Exhibit "C".

10. TAX ALLOCATIONS PER TREASURY REGULATIONS.

10.1 Definitions.

(a) Net Income and Net Loss. "Net income and net loss" mean the net book income or net book loss of the partnership determined in accordance with the principles of Section 704(c) and Section 1.704-1(b)(2)(iv)(g) of the Treasury Regulations and any successor provision, and otherwise as determined for Federal income tax purposes.

(b) Nonrecourse Indebtedness. "Nonrecourse indebtedness" means "nonrecourse debt which is secured by partnership property" in the sense in which that term is used in Section 1.704-1(b)(4)(iv) of the Proposed Treasury Regulations and any successor

proposed, temporary, or final Treasury Regulations. Subject to the previous sentence, "nonrecourse indebtedness" means indebtedness of the partnership where the recourse of the holder in the event of a default in the payment of principal or interest with respect to that indebtedness is limited to an action to foreclose upon the collateral owned by the partnership and pledged as security for that indebtedness and other indebtedness that is treated as nonrecourse indebtedness for federal income tax purposes under Section 1.752-1(e) of the Treasury Regulations or any successor temporary or final Treasury Regulations.

(c) Minimum Gain. "Minimum gain" with respect to any taxable year of the partnership means the minimum gain computed strictly in accordance with the principles of Section 1.704-1(b)(4)(iv) of the Proposed Treasury Regulations and any successor proposed, temporary, or final Treasury Regulations. Subject to the previous sentence, "minimum gain" shall mean the excess of (a) the outstanding principal balance of nonrecourse indebtedness over (b) the adjusted basis of the partnership property securing this nonrecourse indebtedness. For this purpose, any portion of the principal balance of nonrecourse indebtedness that would not be treated as an amount realized under Section 1001 of the Code and the applicable Treasury Regulations, if the nonrecourse indebtedness were

foreclosed upon, shall be excluded. Also, for this purpose, the minimum gain shall be reduced by the cost of any capital improvements to be made to the subject property and by the amount of any principal payments to be made with respect to the nonrecourse debt secured by this property, to the extent that there is a reasonable expectation that these improvements or payments will, without regard to this sentence, reduce the minimum gain. The minimum gain shall be determined at the end of the partnership taxable year.

(d) Net Nonrecourse Losses. "Net nonrecourse losses" in any fiscal year shall mean an amount of partnership deductions attributable to nonrecourse indebtedness (determined in accordance with the principles of Section 1.704-1(b)(4)(iv) of the proposed Treasury Regulations) equal to the lesser of (i) net losses (computed for this purpose by including all deductions of the partnership attributable to nonrecourse indebtedness) or (ii) all deductions of the partnership attributable to nonrecourse indebtedness.

10.2 Qualified Income Offset. Any partner who unexpectedly receives an adjustment, allocation, or distribution described in subparagraphs (4), (5) or (6) of Section 1.704-1(b)(2)(ii)(d) of the Treasury Regulations or any successor provision, which adjustment, allocation or distribution creates or increases a deficit balance in that partner's capital account, shall be allocated items of

income and gain (in that order) in an amount and manner sufficient to eliminate or reduce the deficit balance in that partner's capital account so created or increased as quickly as possible. In the event that there should be an allocation to more than one partner under this provision, that allocation shall be made in accordance with the ratio of the deficit capital account balances of the partners receiving such allocation. For purposes of this Section 10.2, a partner's capital account shall be determined after the adjustments provided for in subparagraphs (4), (5) and (6) of Section 1.704-1(b)(2)(ii)(d) of the Treasury Regulations of any successor provision. Any items of income or gain specially allocated under this Section 10.2 shall be excluded from the computation of net profits, net losses and net gains and net losses from capital events.

10.3 Minimum Gain. In any fiscal year in which (but for the application of this Section 10.3) both (i) any of the partners has a deficit balance in his capital account and (ii) the minimum gain is less than the absolute value of the sum of the negative capital account balances of the partners having negative capital account balances (both determined hypothetically after the application of Section 10.2 and Sections 10.4 through 10.7), then the partners with negative capital account balances shall be specially allocated an amount of items of partnership income and gain equal (to the extent possible) to the excess of (i) the absolute value of the sum of negative capital account

balances of those partners having negative capital account balances over (ii) the minimum gain.

This allocation shall be made to those partners with negative capital account balances in accordance with the ratio of their negative capital account balances. This allocation first shall be made from gain from sale or other disposition of partnership property and thereafter (to the extent necessary) shall be made from ordinary operating income of the partnership. Any income or gain specially allocated under this Section 10.3 shall be excluded from the computation of net profits, net losses, and net gains and net losses from capital events.

For purposes of this Section 10.3, capital accounts will be determined hypothetically after the adjustments set forth in Section 1.704-1(b)(2)(ii)(d) of the Treasury Regulations or any successor provision, including reducing those capital accounts by the fair market value of any property distributed to those partners during the fiscal year or held by the partnership at the end of the partnership fiscal year and deemed to be distributed for purposes of Section 1.704-1(b)(4)(iv) of the Proposed Treasury Regulations and any successor proposed, temporary, or final Treasury Regulations where there is a reasonable expectation that such property shall be distributed to a partner (other than in liquidation of the partnership) prior to the corresponding increase in the partner's capital account.

10.4 Allocation of Net Profits. Net profits shall be

allocated as follows during each fiscal year of the partnership:

(a) To the partners in the same ratio as (i) the excess of cumulative allocations of net losses and net losses and deductions resulting from capital events computed for each partner over the prior allocations under this Section 10.4 and income and gain allocated under Sections 10.2, 10.3 and 10.6 to the partner, bears to (ii) the sum of these excesses computed for all partners, until such time as all of these excesses have been eliminated.

(b) Second, in the same ratio as (i) the excess of the sum of the cumulative distributions of net distributable operating cash and net distributable capital cash to the partner and cumulative allocations of net losses and net losses and deductions resulting from capital events to the partner over the prior allocations under this Section 10.4 and income and gain allocated under Sections 10.2, 10.3 and 10.6 the partner, bears to (ii) such excesses computed for all of the partners, until such time as all of these excesses have been eliminated.

(c) Thereafter, in accordance with the partner's percentage share of profits.

10.5 Allocation of Net Losses. Net losses and then net nonrecourse losses shall be allocated to the partners in accordance with their percentage share of profits and

losses.

10.6 Allocation of Net Gain from Capital Events. Net gain and income in excess of loss and deductions resulting from a capital event shall be allocated as follows:

(a) First, to those partners with negative capital accounts in accordance with the ratio of their negative capital account balances, until no partner has a negative capital account.

(b) Second, to the partners pro-rata until their capital accounts shall be no less than their unreturned capital;

(c) Thereafter, to the partners in accordance with their percentage share of profits.

10.7 Allocation of Net Loss from Capital Events. Net loss and deductions (in excess of income and gain) resulting from a Capital Event shall be allocated as follows in each fiscal year of the partnership:

(a) First, to those partners with positive capital accounts, in accordance with the ratio of their positive capital accounts, until no partner shall have a positive capital account. For this purpose, capital accounts will be adjusted as provided in Section 1.704-1(b)(2)(ii)(d) of the Treasury Regulations or any successor provision.

(b) Thereafter, to the partners in accordance with their percentage share of profits.

11. ADMINISTRATIVE PROVISIONS.

11.1 Voting. Each partner's vote on partnership matters shall be in proportion to his interest in the partnership profits.

11.2 Managing Partner. The managing partner shall be Glenn C. McElroy who shall serve until another managing partner is selected by vote of the partners. He shall have control over the operation and development of the property. His powers and duties shall include the following:

(a) To pay or reimburse any and all fees and expenses incurred or expended in the organization of the partnership, including legal and accounting;

(b) To establish and maintain one or more bank accounts in the partnership name, and all monies received by the partnership, or by any of the partners on behalf of the partnership, shall be forthwith deposited in said bank accounts;

(c) To employ such attorneys and accountants as the managing partner shall deem advisable for the proper operation and business of the partnership;

(d) To lease all or any portion of the property without limit to the term thereof, whether or not such term (including renewal terms), shall extend beyond the date of the termination of the partnership;

(e) To acquire and enter into any contracts of insurance which the managing partner deems necessary and proper for the protection of the partnership and the property;

(f) To reimburse himself monthly, on the submission of an itemized account, for any sums the managing partner shall have expended for the benefit of the partnership's business.

11.3 Partnership Books. Books and records of all partnership transactions shall be maintained at the principal place of business of the partnership and shall be open at all times to the inspection of any partner. At the end of each calendar year, a financial statement of the partnership shall be prepared, which statement shall show any profits and losses of the partnership, the status of the capital account of each partner, and a balance sheet reflecting all assets and liabilities of the partnership.

11.4 Indemnification of Managing Partner. The managing partner shall be entitled to be indemnified by the partnership from the assets of the partnership or as an expense of the partnership against any loss or threat of loss, as a result of any claim or legal proceeding relating to the performance or non-performance of any act concerning the activities of the partnership, except in the case where the managing partner is guilty of gross negligence or willful misconduct, or such liability relates to an obligation of the managing partner acting in an individual capacity. The indemnification herein authorized shall include the payment of reasonable attorneys fees and other expenses (not limited to taxable costs) incurred in settling or defending any claims, threatened action or finally

adjudicated legal proceedings.

12. DEATH, RESTRICTIONS AND RIGHTS AS TO TRANSFER.

12.1 Restriction on Transfer. Without the prior written consent of the other partners, no partner shall sell, assign, pledge or mortgage his interest in the partnership except in a manner expressly authorized by this Agreement.

12.2 Effect of Death. The partnership shall not be dissolved by the death of any of the partners or by the termination of any trust which is a member of the partnership. The legal representative(s) of any deceased partner or the residuary beneficiary(ies) of any terminated trust, as the case may be, shall acquire all rights, title and interests of the deceased partner or terminated trust, as the case may be, and the surviving partner(s) and such legal representative(s) or residuary beneficiary(ies) shall continue as partners under the terms and provisions of this Agreement; provided only that such representative(s) or residuary beneficiary(ies) execute an instrument affirming this Partnership Agreement and any and all amendments hereto which may have been adopted prior to such death or termination of any trust, and expressly agreeing to be bound by the same.

12.3 Transfer on Death. Upon the death of any individual partner, the interest of such partner in the partnership shall be transferred by Will or by the laws of intestacy and such transferee(s) shall become a partner in

the partnership; provided only that such transferee(s) execute an instrument affirming this Partnership Agreement and any and all amendments hereto which may have been adopted by the partners prior to such transfer, and expressly agreeing to be bound by the same.

12.4 Transfer to Family Trust. Any partner may freely assign all or any portion of his interest in the partnership to a trust for the benefit of members of his family of which he is trustee and such trustee shall thereupon become a partner in the partnership in his fiduciary capacity; provided only that such trustee execute an instrument affirming this Partnership Agreement and any and all amendments hereto which may have been adopted by the partners prior to such assignment, and expressly agreeing to be bound by the same.

12.5 Sale of Partnership Interest. Should a partner desire to sell or transfer or assign his partnership interest, (the "Selling partner"), the selling partner shall in writing notify the partnership with copies to the partners setting forth in writing the price and terms upon which the selling partner is willing to sell his partnership interest. The partnership shall have a period of thirty (30) days after receipt of such notice in which to purchase the interest at the price and upon the terms set forth therein. Should the partnership fail to notify the selling partner that it wishes to purchase the partnership interest within such thirty (30) day period (with copies to the

remaining partners) the remaining partners shall have the right and option for a period of fifteen (15) days to purchase the partnership interest of the selling partner pro rata based upon their interest in profits of the partnership. Such intent to purchase shall be evidenced by a written notice by each partner to the partnership and the selling partner stating the desire to purchase and the maximum amount of partnership interest which such person wishes to purchase. If the partners offer to purchase less than the entire partnership interest of the selling partner, the same shall be deemed to be an election to sell none of the selling partner's interest as all of the interest must be purchased or none. If the partnership elects not to purchase the selling partner's interest and if the partners in the aggregate elect not to purchase the entire interest of the selling partner, the selling partner shall have a period of three (3) months from the expiration of the notice period to sell his partnership interest at the same or higher price, and on the same terms or on terms more favorable to the selling partner, provided that the purchaser execute an instrument affirming the Partnership Agreement and any and all amendments hereto which may have been adopted by the partners prior to such transfer, and expressly agreeing to be bound by the same. In the event that such purchase is not consummated within the three (3) month period, a new notice from the selling partner shall be required in the manner provided herein. If either the part-

nership or partners elect to purchase the partnership interest of the selling partner, the same shall be consummated within thirty (30) days following exercise of the option to purchase by delivery of the cash or note that may be required to meet the selling partner's terms set forth in the original notice with the selling partner assigning his partnership interest free and clear of any and all liens, encumbrances, or claims, including the execution of such form of assignment as may be reasonably required and such assurances by way of a title policy as may be reasonably required.

13. NOTICE. Any written notice to any of the partners required or permitted under this agreement shall be deemed to have been duly given on the date of service if served personally on the party to whom notice is to be given, or on the second day after mailing if mailed to the party to whom notice is to be given, by first class or air mail, certified, postage prepaid, and addressed to the addressee at the address stated opposite his signature, or at the most recent address, specified by written notice, given to the sender by the addressee under this provision. Notices to the partnership shall be similarly given, and addressed to it at its principal place of business.

14. VOLUNTARY DISSOLUTION.

14.1 Capital Account Deficits. Upon dissolution or termination, the partners will contribute to the partnership an amount equal to the deficit balance of their capital accounts.

14.2 Winding Up the Partnership. Upon dissolution of the partnership, the assets shall be liquidated as promptly as consistent with obtaining a fair market value thereof, and the proceeds therefrom to the extent available shall be applied and distributed by the partnership in the following order:

(1) Amounts owing to creditors other than partners;

(2) Amounts owing to partners other than for capital and profits;

(3) Return of the capital contributions of the partners as reflected in their respective capital accounts; and

(4) The balance to the partners in proportion to their interests in profits.

14.3 Gain or Loss. Any gain or loss on disposition of partnership properties in the process of liquidation shall be credited or charged to the partners in the proportion of their interests in profits or losses. Any property distributed in kind in the liquidation shall be valued and treated as though the property were sold and the cash proceeds were distributed. The difference between the value of property distributed in kind and its book value shall be treated as a gain or loss on sale of the property and shall be credited or charged to the partners in the proportions of their interests in profits or losses.

15. APPLICABLE LAW. This agreement is executed and

intended to be performed in the State of California, and the laws of that state shall govern its interpretation and effect.

16. SUCCESSIONS. This agreement shall be binding on and inure to the benefit of the respective successors, assigns and personal representatives of the parties, except to the extent of any contrary provision in this agreement.

17. SEVERABILITY. If any term, provision, covenant or condition of this agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the rest of the agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

18. EFFECT OF HEADINGS. All paragraph captions are for reference only, and shall not be considered in construing this agreement.

19. ENTIRE AGREEMENT. This instrument contains the entire agreement of the parties relating to the rights granted and obligations assumed in this instrument. Any oral representations or modifications concerning this instrument shall be of no force or effect unless contained in a subsequent written modification signed by the party to be charged.

20. COUNTERPART COPIES. This agreement may be signed in counterpart copies, and any signed counterpart copy shall be equivalent to a signed original for all purposes.


IN WITNESS WHEREOF, the partners have executed this agreement as of the date first shown above.

Philip M. McGraw

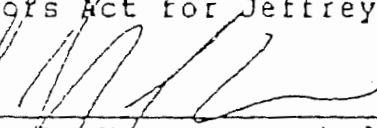
JLN

John L. Neu

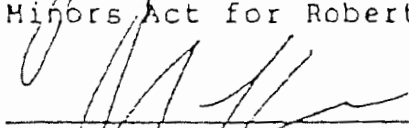
JLN

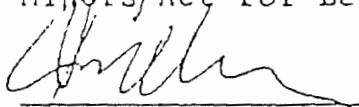

John L. Neu, as custodian
under the Uniform Transfer to
Minors Act for Jeffrey P. Neu

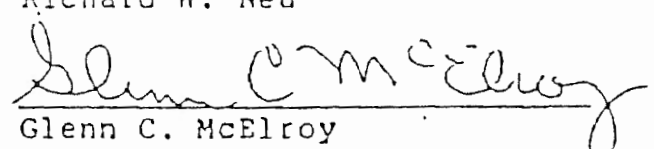
JLN



John L. Neu, as custodian
under the Uniform Transfer to
Minors Act for Robert T. Neu

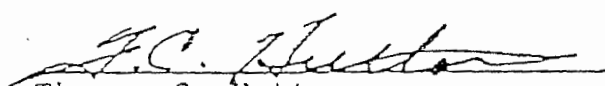
JLN


John L. Neu, as custodian
under the Uniform Transfer to
Minors Act for Leslie S. Neu


Richard W. Neu


Glenn C. McElroy


Phillip B. McElroy


Thomas C. Hutton

AMENDMENT TO PARTNERSHIP AGREEMENT
FOR HAYWARD ASSOCIATES

This Amendment to Partnership Agreement for Hayward Associates is made effective as of May 18, 1994, by and among John L. Neu, Jeffrey P. Neu, Robert T. Neu, Leslie S. Neu, Glenn C. McElroy, Phillip B. McElroy, Thomas C. Hutton, the John L. Neu Trust No. 1 Created by Agreement dated December 30, 1971 (hereinafter "Neu Trust No. 1"), the John L. Neu Trust No. 2 Created by Agreement Dated December 30, 1971 (hereinafter "Neu Trust No. 2"), and the Trust Created Under Article Seventh of the Will of Hugo Neu for the Primary Benefit of the Family of John L. Neu (hereinafter "Article Seventh Trust"), with reference to the following facts:

WHEREAS, John L. Neu, John L. Neu as Custodian under the Uniform Transfer to Minors Act for Jeffrey P. Neu, John L. Neu as Custodian under the Uniform Transfer to Minors Act for Robert T. Neu, John L. Neu as Custodian under the Uniform Transfer to Minors Act for Leslie S. Neu, Richard W. Neu, Glenn C. McElroy, Phillip B. McElroy and Thomas C. Hutton have heretofore entered into a partnership agreement for the formation of Hayward Associates, a general partnership (hereinafter the "Partnership"). The original partnership agreement was amended effective April 13, 1988. The original partnership agreement and the amendment thereto shall hereafter be referred to collectively as the "Partnership Agreement";

WHEREAS, Jeffrey P. Neu, Robert T. Neu and Leslie S. Neu have attained the age of majority and have become partners in the Partnership by succeeding to the ownership of the respective Partnership interests previously held by John L. Neu, as Custodian;

WHEREAS, Richard W. Neu has sold, transferred and assigned all of his interest in the Partnership to certain existing partners and to the Neu Trust No. 1, Neu Trust No. 2 and Article Seventh Trust; and

WHEREAS, the Neu Trust No. 1, Neu Trust No. 2 and Article Seventh Trust, having acquired interests in the Partnership, desire to be admitted as partners,

NOW, THEREFORE, the parties agree as follows:

1. Effective as of May 18, 1994, Richard W. Neu shall be deemed to have withdrawn from the Partnership and shall have no further rights, title or interest in the Partnership, any Partnership property and/or the profits and losses of the Partnership.

2. Effective as of May 18, 1994, the Neu Trust No. 1, Neu Trust No. 2 and Article Seventh Trust are admitted as partners to the Partnership, subject to the terms and conditions of the Partnership Agreement and this Amendment.

3. Except as otherwise provided herein, the Partnership shall continue as before and all of the assets of the Partnership, subject to all of its liabilities, shall continue to be owned by the Partnership.

4. Effective as of May 18, 1994, the profits and losses of the Partnership shall be divided and the capital of the Partnership shall be owned as follows:

John L. Neu

Jeffrey P. Neu

Robert T. Neu

Leslie S. Neu

John L. Neu Trust No. 1
Created by Agreement
dated December 30, 1971

John L. Neu Trust No. 2
Created by Agreement
Dated December 30, 1971

Trust Created Under
Article Seventh of the
Will of Hugo Neu for the
Primary Benefit of the
Family of John L. Neu

Glenn C. McElroy

Thomas C. Hutton

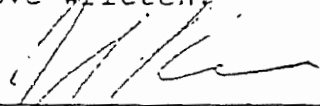
Phillip B. McElroy

FX-6: Personal Privacy

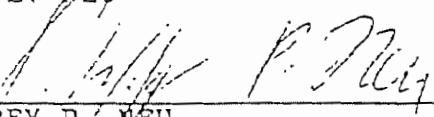


5. The Partnership Agreement dated as of January 1, 1986, as amended by the Amendment dated April 13, 1988, and as modified by this Amendment, shall continue to regulate the affairs of the Partnership and define the rights and obligations of the partners.

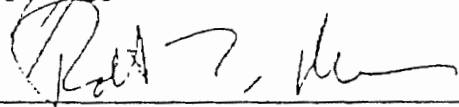
Executed as of the date first above written.



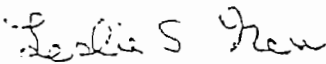
JOHN L. NEU



JEFFREY P. NEU

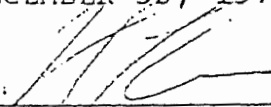


ROBERT T. NEU



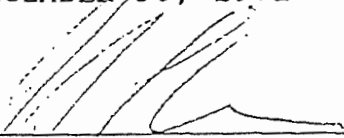
LESLIE S. NEU

JOHN L. NEU TRUST NO. 1
CREATED BY AGREEMENT
DATED DECEMBER 30, 1971

By: 

JOHN L. NEU, Trustee

JOHN L. NEU TRUST NO. 2
CREATED BY AGREEMENT
DATED DECEMBER 30, 1971

By: 

JOHN L. NEU, Trustee

(ADDITIONAL SIGNATURES ON FOLLOWING PAGE)

AMENDMENT TO PARTNERSHIP AGREEMENT
FOR HAYWARD ASSOCIATES

This Amendment to Partnership Agreement for Hayward Associates is made effective as of December 31, 1999, by and among John L. Neu, Marjorie L. Neu, Jeffrey P. Neu, Robert T. Neu, The Estate of Leslie S. Neu (as successor to Leslie S. Neu, deceased), the John L. Neu Trust No. 1 Created by Agreement dated December 30, 1971 (hereinafter "Neu Trust No. 1"), the John L. Neu Trust No. 2 Created by Agreement dated December 30, 1971 (hereinafter "Neu Trust No. 2"), the Trust Created Under Article Seventh of the Will of Hugo Neu for the Primary Benefit of the Family of John L. Neu (hereinafter "Article Seventh Trust"), the Glenn C. McElroy Trust dated October 14, 1992 (as assignee and successor to Glenn C. McElroy), Thomas C. Hutton, Phillip B. McElroy, and Joyce V. McElroy, with reference to the following facts:

WHEREAS, John L. Neu, John L. Neu as Custodian under the Uniform Transfer to Minors Act for Jeffrey P. Neu, John L. Neu as Custodian under the Uniform Transfer to Minors Act for Robert T. Neu, John L. Neu as Custodian under the Uniform Transfer to Minors Act for Leslie S. Neu, Richard W. Neu, Glenn C. McElroy, Phillip B. McElroy and Thomas C. Hutton, have heretofore entered into a partnership agreement for the formation of Hayward Associates, a general partnership (hereinafter the "Partnership"). The original partnership agreement made effective as of January 1, 1986, was subsequently amended effective as of April 13, 1988, effective as of May 18, 1994, and effective as of January 1, 1999, respectively. The original partnership agreement and the amendments thereto shall hereafter be referred to collectively as the "Partnership Agreement";

WHEREAS, Joyce V. McElroy, having been admitted as a partner in the Partnership by that certain Amendment to Partnership Agreement dated as of January 1, 1999, now desires to withdraw as a partner and dissociate herself from the Partnership; and

WHEREAS, The Estate of Leslie S. Neu, which succeeded to the partnership interest of Leslie S. Neu upon her death on July 6, 1996, now desires to assign and transfer such partnership interest to the beneficiaries of The Estate of Leslie S. Neu (to wit: John L. Neu and Marjorie L. Neu) in equal shares, and Marjorie L. Neu desires to be admitted as a partner of the Partnership.

NOW, THEREFORE, the parties agree as follows:

1. Effective as of the close of business on December 31, 1999, Joyce V. McElroy hereby withdraws from, and dissociates herself as a partner of, the Partnership,

subject to the terms and conditions of the Partnership Agreement and this Amendment thereto.

2. The parties agree that Joyce V. McElroy is dissociated from the Partnership effective at the close of business on December 31, 1999 (the "Dissociation Date"), after which date Joyce V. McElroy shall:

- (a) Have no authority to enter into any obligation on behalf of the Partnership;
- (b) Have no right to participate in the profits, losses, management and conduct of the Partnership's business; and
- (c) Be relieved of the duty of loyalty and care to the Partnership and the partners therein with respect to any matter arising after her dissociation.

3. Within fifteen (15) days of the execution of this Amendment, Joyce V. McElroy shall receive, in cash, the sum of **FX-6 Personal Privacy** Dollars (**FX-6 Personal Privacy** hereinafter referred to as the "Buyout Price". Payment of the Buyout Price by and on behalf of the Partnership shall be in full satisfaction of the Partnership's obligation to purchase Joyce V. McElroy's interest in the Partnership: Further, such payment shall be in lieu of, and Joyce V. McElroy hereby waives any rights to, payment under the Partnership Agreement and/or Corporations Code Section 16701.

4. The Partnership hereby releases Joyce V. McElroy from, and shall hold her harmless against, all Partnership liabilities whether incurred before or after the Dissociation Date. Indemnification shall not extend and/or apply however, to any Partnership liability incurred after the Dissociation Date that results from Joyce V. McElroy entering a transaction with a third party under the circumstances specified in Corporations Code Section 16702. Provided, further, indemnification shall not extend and/or apply to any claims and/or liabilities asserted against Joyce V. McElroy by any federal, state and/or local taxing authorities.

5. Further, in consideration of the buyout price, Joyce V. McElroy hereby releases the Partnership, and each of the former and remaining partners, from any and all claims, liabilities and/or causes of action, whether known, unknown or suspected, arising out of and/or in any way related to the Partnership, its business affairs, and/or Joyce V. McElroy's partnership interest in the Partnership. Further, with respect to her release of unknown claims set forth in this Paragraph, Joyce V. McElroy hereby expressly waives any and all rights under Section 1542 of the California Civil Code, which states:

"A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor."

6. Effective as of December 31, 1999, The Estate of Leslie S. Neu hereby assigns and transfers one-half (1/2) of its Partnership interest in the Partnership to John L. Neu, and one-half (1/2) of its Partnership interest in the Partnership to Marjorie L. Neu.

7. The parties agree that The Estate of Leslie S. Neu is dissociated from the Partnership effective at the close of business on the Dissociation Date, after which The Estate of Leslie S. Neu shall:

- (a) Have no authority to enter into any obligation on behalf of the Partnership;
- (b) Have no right to participate in the profits, losses, management and conduct of the Partnership's business; and
- (c) Be relieved of the duty of loyalty and care to the Partnership and the partners therein with respect to any matter arising after its dissociation.

8. Effective as of the close of business on December 31, 1999, Marjorie L. Neu is admitted as a partner of the Partnership, subject to the terms and conditions of the Partnership Agreement and this Amendment thereto.

9. Marjorie L. Neu hereby accepts her admission as a partner of the Partnership and agrees to be bound by all of the terms, covenants and conditions of the Partnership Agreement, as the same may have been amended from time to time.

10. An inventory shall be taken as of the close of business on December 31, 1999, and the books of account of the Partnership shall be closed. Immediately thereafter, the books of account shall be adjusted to reflect the dissociation of Joyce V. McElroy and the transfer of The Estate of Leslie S. Neu's interest in the Partnership to John L. Neu and Marjorie L. Neu.

11. The business of the Partnership shall be continued without interruption. However, effective as of January 1, 2000, the profits and losses of the Partnership shall be divided and the capital of the Partnership shall be owned as follows:

John L. Neu

Marjorie L. Neu

Jeffrey P. Neu

Robert T. Neu

John L. Neu Trust No. 1
Created by Agreement
dated December 30, 1971

John L. Neu Trust No. 2
Created by Agreement
Dated December 30, 1971

Trust Created Under
Article Seventh of the
Will of Hugo Neu for the
Primary Benefit of the
Family of John L. Neu

Glenn C. McElroy Trust
dated October 14, 1992

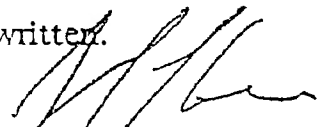
Thomas C. Hutton

Phillip B. McElroy

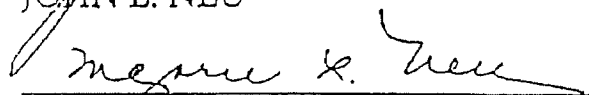
12. Except as otherwise provided herein, the Partnership shall continue as before and all of the assets of the Partnership, subject to all of its liabilities, shall continue to be owned by the Partnership.

13. The Partnership Agreement effective as of January 1, 1986, as amended by the Amendment effective as of April 13, 1988, as amended by the Amendment effective as of May 18, 1994, as amended by the Amendment dated as of January 1, 1999, and as amended by this Amendment, shall continue to regulate the affairs of the Partnership and define the rights and obligations of the partners.

Executed as of the date first above written.



JOHN L. NEU

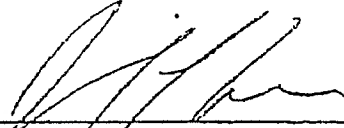


MARJORIE L. NEU

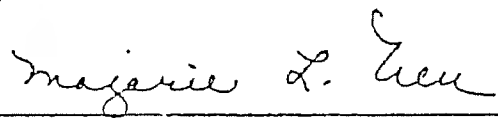
JEFFREY P. NEU

ROBERT T. NEU

ESTATE OF LESLIE S. NEU

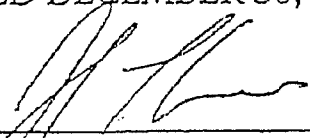
By: 

JOHN L. NEU, Co-Administrator

By: 

MARJORIE L. NEU, Co-Administrator

JOHN L. NEU TRUST NO. 1
CREATED BY AGREEMENT DATED
DATED DECEMBER 30, 1971

By: 

JOHN L. NEU, Trustee

(SIGNATURES CONTINUED ON FOLLOWING PAGE)

JOHN L. NEU TRUST NO. 2
CREATED BY AGREEMENT
DATED DECEMBER 30, 1971

By: 

JOHN L. NEU, Trustee

TRUST CREATED UNDER
ARTICLE SEVENTH OF THE
WILL OF HUGO NEU FOR THE
PRIMARY BENEFIT OF THE
FAMILY OF JOHN L. NEU

By: 

JOHN L. NEU, Trustee

GLENN C. McELROY TRUST dated
October 14, 1992

By: _____

GLENN C. McELROY, Trustee

By: _____

PEARL McELROY, Trustee

THOMAS C. HUTTON

PHILLIP B. McELROY

JOYCE V. McELROY

JOHN L. NEU TRUST NO. 2
CREATED BY AGREEMENT
DATED DECEMBER 30, 1971

By: _____
JOHN L. NEU, Trustee

TRUST CREATED UNDER
ARTICLE SEVENTH OF THE
WILL OF HUGO NEU FOR THE
PRIMARY BENEFIT OF THE
FAMILY OF JOHN L. NEU

By: _____
JOHN L. NEU, Trustee

GLENN C. McELROY TRUST dated
October 14, 1992

By: Glenn C. McElroy
GLENN C. McELROY, Trustee

By: _____
PEARL McELROY, Trustee

THOMAS C. HUTTON

PHILLIP B. McELROY

JOYCE V. McELROY

AMENDMENT TO PARTNERSHIP AGREEMENT
FOR HAYWARD ASSOCIATES

This Amendment to Partnership Agreement for Hayward Associates is made effective as of January 1, 1999, by and among John L. Neu, Jeffrey P. Neu, Robert T. Neu, The Estate of Leslie S. Neu (as successor to Leslie S. Neu, deceased), the John L. Neu Trust No. 1 Created by Agreement dated December 30, 1971 (hereinafter "Neu Trust No. 1"), the John L. Neu Trust No. 2 Created by Agreement dated December 30, 1971 (hereinafter "Neu Trust No. 2"), the Trust Created Under Article Seventh of the Will of Hugo Neu for the Primary Benefit of the Family of John L. Neu (hereinafter "Article Seventh Trust"), the Glenn C. McElroy Trust dated October 14, 1992 (as assignee and successor to Glenn C. McElroy), Thomas C. Hutton, Phillip B. McElroy, and Joyce V. McElroy, with reference to the following facts:

WHEREAS, John L. Neu, John L. Neu as Custodian under the Uniform Transfer to Minors Act for Jeffrey P. Neu, John L. Neu as Custodian under the Uniform Transfer to Minors Act for Robert T. Neu, John L. Neu as Custodian under the Uniform Transfer to Minors Act for Leslie S. Neu, Richard W. Neu, Glenn C. McElroy, Phillip B. McElroy and Thomas C. Hutton, have heretofore entered into a partnership agreement for the formation of Hayward Associates, a general partnership (hereinafter the "Partnership"). The original partnership agreement made effective as of January 1, 1986, was subsequently amended effective as of April 13, 1988, and effective as of May 18, 1994, respectively. The original partnership agreement and the amendments thereto shall hereafter be referred to collectively as the "Partnership Agreement";

WHEREAS, pursuant to that certain Further Judgment on Reserved Issues (the "Judgment"), filed and entered on or about June 5, 1999, in that certain civil action pertaining to the dissolution of the marriage of Phillip B. McElroy and Joyce V. McElroy (Orange County Superior Court Case No. D346156), Phillip B. McElroy's partnership interest in the Partnership was determined to be community property and it was ordered that such interest be divided equally between Phillip B. McElroy and Joyce V. McElroy;

WHEREAS, pursuant to the Judgment, Phillip B. McElroy desires to transfer one-half ($\frac{1}{2}$) of his partnership interest in the Partnership to Joyce V. McElroy as her sole and separate property;

WHEREAS, Phillip B. McElroy desires to retain the remaining one-half ($\frac{1}{2}$) of his partnership interest as his sole and separate property; and

WHEREAS, Joyce V. McElroy, having been awarded an interest in the Partnership as her sole and separate property, desires to be admitted as a partner.

NOW, THEREFORE, the parties agree as follows:

1. Pursuant to the Judgment, Phillip B. McElroy hereby transfers to Joyce V. McElroy one-half (½) of his partnership interest in the Partnership as her sole and separate property.

2. Effective as of January 1, 1999, Joyce V. McElroy is admitted as a partner of the Partnership, subject to the terms and conditions of the Partnership Agreement and this Amendment thereto.

3. Joyce V. McElroy hereby accepts her admission as a partner of the Partnership and agrees to be bound by all of the terms, covenants and conditions of the Partnership Agreement, as the same may have been amended from time to time.

4. An inventory shall be taken as of December 31, 1998, and the books of account of the Partnership shall be closed. Immediately thereafter, the books of account shall be adjusted to reflect the assignment to Joyce V. McElroy of a five percent (5%) interest in the Partnership.

5. The business of the Partnership shall be continued without interruption. However, effective as of January 1, 1999, the profits and losses of the Partnership shall be divided and the capital of the Partnership shall be owned as follows:

John L. Neu

Jeffrey P. Neu

Robert T. Neu

The Estate of Leslie S. Neu

John L. Neu Trust No. 1
Created by Agreement
dated December 30, 1971

John L. Neu Trust No. 2
Created by Agreement
Dated December 30, 1971

FX-6: Personal Privacy



Trust Created Under
Article Seventh of the
Will of Hugo Neu for the
Primary Benefit of the
Family of John L. Neu

Glenn C. McElroy Trust
dated October 14, 1992

Thomas C. Hutton

Phillip B. McElroy

Joyce V. McElroy

FX-6: Personal Privacy

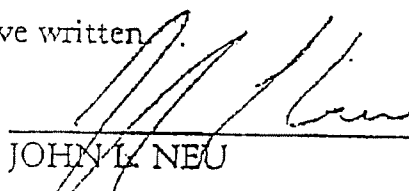


6. The undersigned acknowledge that, on or about October 14, 1992, Glenn C. McElroy assigned and transferred his interest in the Partnership to Glenn C. McElroy and Pearl McElroy, Trustees of the Glenn C. McElroy Trust dated October 14, 1992 (the "McElroy Trust"). Further, the undersigned confirm and agree that: (i) such transfer was permitted by Paragraph 12.4 of the original Partnership Agreement effective January 1, 1986; (ii) from and after said transfer, Glenn C. McElroy and Pearl McElroy became partners of the Partnership in their fiduciary capacities as Trustees of the McElroy Trust; (iii) from and after said transfer, Glenn C. McElroy, in his fiduciary capacity as Trustee of the McElroy Trust, has continued to exercise his powers and perform his duties as managing partner of the Partnership pursuant to Paragraph 11.2 of the original Partnership Agreement; and (iv) Glenn C. McElroy is hereby authorized and directed to continue to act in such capacity as Trustee of the McElroy Trust.

7. Except as otherwise provided herein, the Partnership shall continue as before and all of the assets of the Partnership, subject to all of its liabilities, shall continue to be owned by the Partnership.

8. The Partnership Agreement effective as of January 1, 1986, as amended by the Amendment effective as of April 13, 1988, as amended by the Amendment effective as of May 18, 1994, and as amended by this Amendment, shall continue to regulate the affairs of the Partnership and define the rights and obligations of the partners.

Executed as of the date first above written

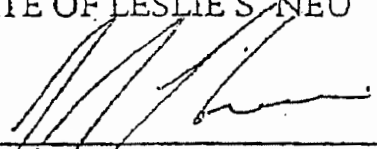

JOHN L. NEU

(ADDITIONAL SIGNATURES ON FOLLOWING PAGES)

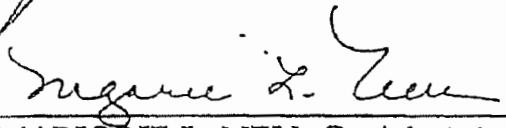
JEFFREY P. NEU

ROBERT T. NEU

ESTATE OF LESLIE S. NEU

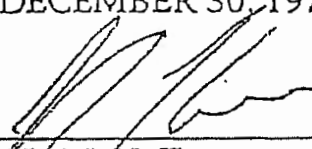
By: 

JOHN L. NEU, Co-Administrator

By: 

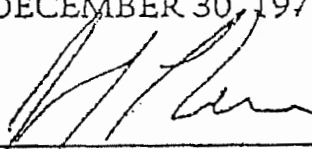
MARJORIE L. NEU, Co-Administrator

JOHN L. NEU TRUST NO. 1
CREATED BY AGREEMENT DATED
DATED DECEMBER 30, 1971

By: 

JOHN L. NEU, Trustee

JOHN L. NEU TRUST NO. 2
CREATED BY AGREEMENT
DATED DECEMBER 30, 1971

By: 

JOHN L. NEU, Trustee

(ADDITIONAL SIGNATURES ON FOLLOWING PAGE)

TRUST CREATED UNDER
ARTICLE SEVENTH OF THE
WILL OF HUGO NEU FOR THE
PRIMARY BENEFIT OF THE
FAMILY OF JOHN L. NEU

By: 
JOHN L. NEU, Trustee

GLENN C. McELROY TRUST dated
October 14, 1992

By: _____
GLENN C. McELROY, Trustee

By: _____
PEARL McELROY, Trustee

THOMAS C. HUTTON

PHILLIP B. McELROY

JOYCE V. McELROY

TRUST CREATED UNDER
ARTICLE SEVENTH OF THE
WILL OF HUGO NEU FOR THE
PRIMARY BENEFIT OF THE
FAMILY OF JOHN L. NEU

By: _____
JOHN L. NEU, Trustee

GLENN C. McELROY TRUST dated
October 14, 1992

By: 
GLENN C. McELROY, Trustee

By: _____
PEARL McELROY, Trustee

THOMAS C. HUTTON

PHILLIP B. McELROY

JOYCE V. McELROY